

**MINUTES OF REGULAR MEETING - RIVERBOAT
OPEN SESSION
February 16, 2012
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, February 16, 2012 a Regular Meeting - Riverboat of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Thursday, February 16, 2012 at approximately 10:00 A.M. the following Board members were present: Members Maribeth Vander Weele, Michael Holewinski and Lee Gould. Chairman Jaffe participated via telephone. At 10:05 A.M. on Thursday, February 16, 2012, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Holewinski moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees;**
3. **Pending litigation; and**
4. **Closed session minutes.**

Member Vander Weele seconded the motion. The Board approved the motion unanimously by voice vote.

The Board remained in Closed Session until approximately 10:05 A.M. at which time the Board recessed and went into open session at 10:15 A.M Present were the following: Members Maribeth Vander Weele, Michael Holewinski and Lee Gould. Chairman Jaffe participated via telephone.

APPROVAL OF MINUTES

Member Gould moved that **the Board approve the open session minutes of its Regular Meeting of January 19, 2012.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S REPORT -

Administrator Ostrowski stated that he and Commander Kimes toured the Casino Queen, Argosy Alton, Rock Island and Par-A-Dice casinos for so that Commander Kimes could become familiar with the properties. The Administrator also stated that Member Scott had resigned effective January 31, 2012 from the Board.

BOARD POLICY ITEMS -

- Proposed Rule Changes - Sections 3000.100 and 3000.625

Caleb Melamed gave a brief summary of the proposed rule changes.

Section 5 (b) (3) of the Riverboat Gambling Act grants to the Illinois Gaming Board both regular and emergency rulemaking authority regarding the Riverboat Gambling Act. At the February 16, 2012 open meeting of the Board, legal staff will submit proposals to amend the Board's rules on riverboat gambling (86 Ill. Adm. Code 3000) for Board consideration. The proposals to be submitted are the following:

Riverboat Gambling

Amended definition of "Electronic Gaming Device": The definition of "Electronic Gaming Device" in Section 100, Definitions [86 Ill. Adm. Code 3000.100] will be changed to include multiple position devices in the following categories: reel-type, single-game video, and multi-game video. Currently, the definition of "Electronic Gaming Device" only includes single position devices in these categories. Because the Board has already approved and allowed an Electronic Gaming Device with multiple positions, staff recommends the filing of this proposal as an emergency rulemaking, to be effective immediately upon filing.

Chip identification: This proposal will amend Section 625 of the Riverboat Gambling Rules, Chip Specifications [86 Ill. Adm. Code 3000.625], by requiring each chip issued by the

holder of an owners license to have permanently impressed, engraved, or imprinted upon it the location of the Riverboat Gaming Operation. This change will make the identification requirements for chips consistent with those for tokens. Tokens issued by, or used in, Riverboat Gaming Operations must clearly identify their location under Section 635 of the Riverboat Gambling Rules, Issuance and Use of Tokens and Vouchers for Gaming [86 Ill. Adm. Code 3000.635]. Staff recommends the filing of this proposal as a regular (nonemergency) rulemaking.

Member Vander Weele moved that **the Board authorize staff to submit proposals to amend the Board's rules on Riverboat Gambling, Section 3000.100 regarding definitions and Section 3000.625 regarding Chip Specifications for First Notice Filing with the Secretary of State upon final review and approval by the Administrator.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

PUBLIC COMMENTARY –

Thomas F. Swoik, Executive Director, Illinois Casino Gaming Association

Good morning Chairman Jaffe, Members of the Board, Administrator Ostrowski and staff. I am Tom Swoik, Executive Director of the Illinois Casino Gaming Association.

I would like to begin by congratulating you on your appointments to the Board and you Chairman Jaffe for your reappointment to Chairman.

The casino industry is good for Illinois!

The Illinois Casino Gaming Association began a couple of years after the first casino opened in Illinois. Currently the Association has 6 full members and with membership of three additional casinos we continue to support our responsible gaming activities.

My responsibilities include running the day to day operations of the Association, public relations, administering our responsible gaming program, working with the IGB Administrator and staff on industry issues and lobbying the State Legislature. As you can imagine over the past ten years, the lobbying activity has taken a lot of my time.

I began by saying, the casino industry is good for Illinois, this is the message we developed several years ago. We still believe this message. We are good for Illinois because of the jobs we create and the employment we maintain. I have not completed the 2011 numbers yet, but industry wide in 2010 we employed nearly 7,000 individuals, almost 53% female and over 33% minorities.

Secondly the industry promotes economic development through taxes paid, capital improvements and reinvestment, tourism and supplier purchases, in 2010 over 10% of our total vendor payments were made to minority owned firms and nearly 6.5% to female owned firms. These numbers reflect a percentage of all payments. Although we cannot control some of our expenditures, for example, we can only purchase gaming equipment and supplies from licensed suppliers and utilities from providers in the specific locale.

Thirdly, the industry provides community enrichment through their local share of the tax dollars, charitable contributions including thousands of hours of volunteer work, entertainment venues and participation in many local organizations by our staff.

Fourthly, the industry strives to maintain social responsibility through our responsible gaming activities, community involvement and as I've already stated through our diversified work force and vendors.

Finally, we are good for Illinois because we provide entertainment at a good value in a safe environment. Since 1996 the association members have funded the problem gambling hotline through a contract with Bensinger DuPont and Associates. Additionally, all casino staff receive initial and continuing responsible gambling training.

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The Association is a member of the State Chamber of Commerce and the Illinois State Black Chamber of Commerce. We have participated in the Black Chambers annual events over the last 3 years. The Association has participated in the Annual Chicago Minority Business Event at Navy Pier for the past 5 years, including staffing a booth with all members purchasing agents on site to talk to potential minority vendors.

Finally, over the past four years we have co-sponsored numerous minority female owned vendor fairs at various casinos around the State.

I appreciate the opportunity to brief you on our organization and will be happy to answer any questions.

OWNER LICENSEE ITEMS

Item for Initial Consideration -

- Par-A-Dice Gaming Corporation d/b/a Par-A-Dice Casino – License Renewal

A brief power point presentation was initiated by the following staff members of Boyd Gaming Corporation:

- **Paul Chakmak - Executive Vice President and Chief Operating Officer**
 - **Chris Gibase - Senior Vice President, Operations - Midwest and South Region**
 - **Cori Rutherford – Vice President and General Manager, Par-A-Dice Hotel Casino**
 - **Joe Coe - Director Diversity**
- MGM Resorts International – Subsidiary Guarantor –

Paul Jenson appeared before the Board on behalf of MGM Resorts.

Items for Final Consideration -

- Midwest Gaming & Entertainment, LLC – Albert J. Geldres - Owner

Based on a review of staff's investigation and recommendation, Member Gould moved to **approve Albert J. Geldres, who intends to own an interest in Midwest Gaming & Entertainment, LLC through Casino Investors, LLC.**

Member Gould move pursuant to Section 235 of the Adopted Rules to approve the **corresponding redemption of interests in Midwest Gaming Holdings, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- Des Plaines Development Limited Partnership (DDLPP) d/b/a Harrah's Joliet Casino & Hotel – Joshua J. San Salvador, Vice President of Operations – Level One

Based on staff's investigation and recommendation, Member Vander Weele moved that **the Board approve Joshua J. San Salvador as an Occupational Licensee Level One in the position of Vice President of Operations for Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino & Hotel in Joliet, Illinois.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Elgin Riverboat Resort d/b/a Grand Victoria Casino – Philip Kayman, Executive Committee – Key Person

Based on a review of staff's investigation and recommendation, Member Gould moved to **approve Philip Kayman as a Key Person in his position as an Executive Committee Member of the Elgin Riverboat Resort, d/b/a Grand Victoria Casino.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIER LICENSEE ITEM

- Genesis Gaming Solutions, Inc. – License Renewal

Based on Staff's investigation and recommendation, Member Vander Weele moved that **the Board approve the renewal of Genesis Gaming Solutions, Inc.'s Supplier's License for a period of four years, expiring in February, 2016.**

Staff further recommends the following be designated and approved as Key Persons of Genesis Gaming Solutions, Inc.:

President; and Randall Lee Knust.

Member Vander Weele further moved **that the Board approve Genesis Gaming Solutions, Inc. to supply the following to Illinois Owner Licensees:**

BRAVO Pit system; and BRAVO Poker system.

Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

- Based on staff's investigation and recommendation, Gould moved that **the Board find suitable and approve 47 applications for an Occupational License, Level 2, and 100 applications for an Occupational License, Level 3.**

Further, Member Gould moved that **the Administrator issue a Notice of Denial to Sonya M. Dedeaux who received notice that staff intended to recommend denial of her license application and did not provide additional information to rebut the recommendation.**

Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- Based on staff's investigation, Member Vander Welle moved that **the Board find Frank D. Palmere suitable for licensing and approve his application for an Occupational License, Level 2.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Based on staff's investigation and recommendation, Member Gould moved that **the Board deny the requests of the following individuals who have asked the Board for leave to reapply for an occupational license within one year of the denial of their application for an occupational license pursuant to Section 3000.245(f) of the Board's Adopted Rules:**

Jerry W. Reaves, Jr.; and Neo Skywalker

Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARING/ALJ REPORT –

- Requests for Hearing

Based on the review of staff's investigation and recommendation, Member Vander Weele moved that **the following individuals' requests for a hearing be denied based on the fact that the individuals have offered no facts that establish a prima facie case:**

Nicholas D. Conlon, Irene M. Dahlgren, Joshua M. Deamon, Tiffany L. Leonard, Gina M. Pearson, Nicole E. Moore, Ralph W. Yarck, Eric R. Smith, Brandon D. Jones and Roderick F. Williams, Jr. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

At 11:05 A.M. Member Gould motioned to adjourn and Member Vander Weele seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator